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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 12/07/07

Index:

- 1) Top headlines
- 2) Editorials
- 3) Prime Minister's daily schedule (Nikkei)
- 4) U.S. Embassy rent issue on way to settlement after 10 years in arrears with agreement to ratchet up rent to near commercial level (Yomiuri)

North Korea problem:

- 5) President Bush in unusual gesture sends personal letter to DPRK leader Kim Jong Il on need for denuclearization report; Japan informed beforehand (Asahi)
- 6) President Hu made appeal to North Korea on Japan's abduction issue, another sign of China's new cooperative stance toward Japan (Yomiuri)

Diet showdown:

- 7) Government and ruling camp decide to extend the Diet session, centering on mid-January, in order to pass antiterrorism special measures bill (Tokyo Shimbun)
- 8) Prime Minister Fukuda will speak to coalition partner New Komeito next week to line up strategy for overriding Upper House's expected rejection of refueling bill (Asahi)
- 9) Showdown with Democratic Party of Japan (DPJ) in the Diet over the antiterrorism bill is "inevitable" hints Prime Minister Fukuda (Tokyo Shimbun)
- 10) Opposition parties are not lined up yet over Upper House strategy, including whether to file a censure motion and the timing

of it (Nikkei)

11) Japanese Communist Party trying to demonstrate its political presence by taking pragmatic and even cooperative stances (Asahi)

12) Textbook screeners to allow insertion in school history books of "forced by the military" to describe mass suicides in Okinawa during final WWII battle (Tokyo Shimbun)

Economic agenda:

13) Finance Ministry wants to use the legendary "buried treasure" of 10 trillion yen in hidden fiscal funds for paying off deficit bonds (Tokyo Shimbun)

14) Administrative Reform Minister Watanabe, fighting a lonely battle, squares off against Chief Cabinet Secretary Machimura on "human talent bank" issue (Tokyo Shimbun)

Articles:

1) TOP HEADLINES

Asahi:

LDP, New Komeito agree to retain over next 10 years provisional tax rate related to tax revenues for road projects and use surplus money for environmental measures

Mainichi:

Regulatory reform panel suggests lifting ban on prescription by nurses to reduce doctors' burdens

Yomiuri:

Government intends to have corporate health insurance societies and

TOKYO 00005481 002 OF 012

mutual aid associations disburse 11 billion yen to government health insurance system

Nikkei:

Regulatory reform panel suggests easing requirements for admission to nursery centers

Sankei:

Reform of independent administrative corporations makes no progress

Tokyo Shimbun:

School Textbook Examination Council decides to allow school textbooks to describe forced mass suicides in Battle of Okinawa

Akahata:

In response to Japan Council against A & H Bombs' call for starting talks on a total ban on nuclear weapons, Spanish prime minister and other foreign leaders express agreement to hold such talks

2) EDITORIALS

Asahi:

(1) Water summit: Prevent water contamination and make clean water available to everybody on the globe

(2) Society where mentally-disable persons can live with their families together

Mainichi:

(1) DPRK is still developing nuclear weapons, though NIE report says Iran stopped developing nuclear weapons

(2) Accumulated management gains should be used for restoring fiscal health

Yomiuri:

(1) OPEC meeting signaled a wrong message to crude oil market

(2) Revised hot spring law: Comfort and safety both essential

Nikkei:

(1) Suggestions to eliminate "Moriya-like nature" of Defense Ministry

(2) Expansion of oil supply capacity important

Sankei:

- (1) NIE report on Iran: Too early to ease sanctions on Iran
- (2) U.S. needs to reconsider its strategy toward DPRK

Tokyo Shimbun:

- (1) No expansion of oil supply capacity by OPEC: Japan needs to develop other energy sources
- (2) Bribery scandal involving former university professor of medicine: Don't escalate medical crisis

Akahata:

- (1) OECD academic tests: Freedom and conditions essential to foster desire to learn

3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, December 6

NIKKEI (Page 2) (Full)  
December 7, 2007

TOKYO 00005481 003 OF 012

09:18

Met Land and Transport Minister Fuyushiba and Road Bureau Director General Miyata at the Kantei, followed by LDP International Competitiveness Research Commission Chairman Omi.

12:45

Greeted the Crown Prince at the Asahi Hall in Yurakucho. Afterward attended a Handicapped Persons Week meeting.

13:39

Saw off the Crown Prince.

15:00

Met Local Revitalization Office Secretary General Yamamoto at the Kantei, followed by Prime Minister Ielema of Tuvalu.

16:13

Met National Personnel Authority President Tani and National Public Service Ethics Board Chairman Yoshimoto, followed by LDP Reform Headquarters chief Takebe.

17:05

Met Environment Minister Kamoshita, Vice Environment Minister Tamura, Global Environment Bureau Director General Minamikawa, joined in by Dr. Harasawa of the National Institute for Environmental Studies. Afterward met Cabinet Intelligence Director Mitani.

18:20

Met former Lower House member Eisei Ito, followed by LDP General Council Chairman Nikai, and Lower House members Kazuo Aichi and Tetsuma Esaki.

19:25

Met Central Education Council Chairman Masakazu Yamazaki at a Japanese restaurant in Nagatacho.

21:53

Returned to his residence in Nozawa.

- 4) Issue of U.S. Embassy's rent in arrears to be resolved after no payment in 10 years; Japan, U.S. agree to gradually hike rent

YOMIURI (Page 2) (Full)  
December 7, 2007

In negotiations on the issue of the rent in arrears for the past 10 years on the land (approximately 13,000 m2) located at Akasaka, Tokyo, now used by the United States Embassy which is state-owned property, the Japanese and U.S. governments have agreed that the U.S. will pay the rent in arrears amounting to 70,000,000 yen to the Japanese government, and that the rent will be increased in stages.

The Japanese government at one point had considered taking legal action against the rent issue because the statute of limitations runs out at the end of this month on the rent for 1998, but now that an agreement has been reached between the two governments, Japan and the U.S. have now avoided the case of bringing a civil action.

According to the agreement, the annual rent, which had been criticized as being very low compared to commercial rents applied to

TOKYO 00005481 004 OF 012

land lots in the neighborhood, will be hiked in stages: 7,000,000 yen for the period from 1998 through 2007, which has fallen into arrears; 10,000,000 yen for the period from 2007 through 2012; and 15,000,000 yen for the period from 2013 through 2027.

The U.S. Embassy is in a prime location close to the Diet and the Prime Minister's Official Residence. Under the 1896 lease, the rent was set at 400 yen annually and perpetually. But since then the rent was hiked twice in consideration of rising land values. For the period from 1983 through 1997, the rent of 2,520,000 yen was paid annually by the U.S. to the Japanese government.

When the Japanese government suggested further hiking the rent for 1998 and beyond to bring it close to prevailing commercial rents, the U.S. opposed the increase, arguing that the rent on the land used by the embassy should not be decided on a commercial basis. The U.S. in an unusual move decided not to pay the rent.

As a result of 10 years of negotiations between the Ministry of Foreign Affairs and the Ministry of Finance and the U.S. Department of State and other agencies, "Both sides have met halfway with the Japanese side coming to terms with the U.S. on still lower rents compared to commercial rents in the vicinity and the U.S. side agreeing to pay the rent in arrears and accept the plan to hike the rent in stages," a source involved in the Japan-U.S. negotiations said.

The British Embassy sits on the land covering a space of 35,000 m2 in national property in Tokyo's Ichiban-cho. The rent on the land used by the British Embassy is 35,000,000 yen annually. In the case of the British Embassy's rent, one square meter is priced at 1,000 yen, which is higher than the 770 yen per square meter the U.S. Embassy will pay from next year.

5) President Bush sends letter to Kim Jong Il underlining need to fully declare nuclear programs

ASAHI (Page 1) (Full)  
December 7, 2007

U.S. President George W. Bush sent a letter to North Korean leader Kim Jong Il, according to the Korean Central News Agency (KCNA) on Dec. 6. U.S. Assistant Secretary of State Christopher Hill on the same day also told reporters in Beijing that he had delivered the letter to North Korean Foreign Minister Pak Ui Chun during his recent trip to Pyongyang. According to the White House, President Bush's letter -- his first to the North Korean leader -- urges Pyongyang to fully declare its nuclear programs.

White House Press Secretary Dana Perino in a press conference in Washington on Dec. 6 indicated that the President also wrote letters on Dec. 1 to the leaders of the other nations involved in the six-party talks. "The letter underlined the need for North Korea to fully declare its nuclear programs," Perino said. There is a possibility that the letter conveyed the President's eagerness to normalize ties between the United States and North Korea.

President Bush harshly criticized Kim Jong Il in 2005, calling him a "tyrant." Hill explained the reason why the President sent the letter this way: "With the second-phase of (the denuclearization issue) reaching a final stage, this is an extremely critical time." Given the KCNA report, North Korea seems to have taken the letter

TOKYO 00005481 005 OF 012

positively.

According to Hill, the letters to the leaders of the five countries differ in contents. He is scheduled to visit Japan on Dec. 7 to deliver the letter to Prime Minister Yasuo Fukuda to Foreign Ministry Asian and Oceanian Affairs Bureau Director-General Kenichiro Sasae.

According to a Japanese government official, Washington informed Tokyo of the contents of the letter to Kim Jong Il in advance. The official explained: "It warned that matters would not move forward unless (North Korea) fully declares its nuclear programs."

6) China plays up cooperative stance toward Japan, urging North Korea to make progress on abduction issue

YOMIURI (Page 7) (Excerpts)  
December 7, 2007

Chinese President Hu Jintao has urged Pyongyang to make progress on the abduction issue by expressing his hope for improved relations between Japan and North Korea. It can be called the least risky option for China, which does not want to fatally strain its relations with North Korea by applying pressure, to play up its cooperative posture toward Japan.

During his visit to Japan in April this year, Chinese Premier Wen Jiabao, in response to Japan's request, expressed his willingness to "cooperate as necessary" for resolving the abduction issue.

According to a diplomatic source, the Hu administration has concluded that in order to realize a series of reciprocal visits of top leaders of the two countries ranging from Prime Minister Fukuda's possible visit to China later this month to President Hu's visit to Japan next spring, it is essential to demonstrate a cooperative stance to move the abduction issue forward. With Beijing scheduled to host the Olympics next August, improving relations with Japan is imperative for China, which needs to stabilize its domestic situation.

Needless to say, there is pragmatic calculation behind it as well. According to a source familiar with Japan-China relations, China aims at short-term gains, such as acquiring energy-conservation technology by extending cooperation for progress on the abduction issue. China's mid- to long-term goal, if it can actually contribute to moving the abduction issue forward, is to have Japan recognize it as a market economy.

The question is how North Korea will respond to China's urging.

The Chinese government has been looking into a variety of specific measures since April. But in reality, China does not have a free hand, according to a China source.

That is because Pyongyang resents Beijing's pressure, and China's influence on North Korea has rapidly declined. The Inter-Korean Summit Declaration adopted in October stipulates a "meeting between the top leaders of three or four parties concerned" for declaring an end to the Korean War. Judging that the "three parties" was aimed at excluding China, Chinese diplomatic authorities were reportedly furious.

TOKYO 00005481 006 OF 012

7) Government, ruling coalition likely to re-extend Diet session to mid-January to enact new antiterrorism bill

TOKYO SHIMBUN (Page 1) (Full)  
December 7, 2007

The government and ruling parties decided yesterday to again extend the Diet session, which will end on Dec. 15, in order to enact a new antiterrorism bill allowing the Self-Defense Forces to resume refueling activities in the Indian Ocean. If the bill is voted down in the House of Councillors, the ruling camp will override it with a two-third majority vote in the House of Representatives. The

government and ruling coalition is considering re-extending the current session by mid-January or for about a week. They will make a final decision in the middle of next week.

Asked by the press about the possibility of using an override vote in the Lower House, Prime Minister Yasuo Fukuda last night said again: "I am considering all possibilities."

Opposition Democratic Party of Japan (DPJ or Minshuto) Upper House Caucus Chairman Azuma Koshiishi stated in a press conference: "It would be difficult to pass the new antiterrorism bill through the Diet until the end of the Diet session," citing that enough time has not yet been spent for deliberations on the bill. The government and ruling bloc has determined that the Upper House will not take a vote on the bill during the extended current session since the a DPJ member chairs the chamber's Committee on Foreign Affairs and Defense, which is now deliberating the bill. They, therefore, has come up with a policy of re-extending the Diet session.

It is most likely that the session should be extended again until Jan. 12 or later.

8) Ruling coalition likely to override upper chamber vote for MSDF refueling bill

ASAHI (Page 4) (Full)  
December 7, 2007

A government-introduced bill for special measures to resume the Maritime Self-Defense Force's refueling activities in the Indian Ocean is now before the Diet. On this proposed legislation for Japan's fueling assistance, most members of the governing parties insist that the House of Representatives should revote on the bill to enact it into law. Prime Minister Fukuda again clarified his strong intention yesterday to enact the bill. The ruling Liberal Democratic Party's executives also called for revoting on the legislation. The government and ruling parties are now determined to reextend the current Diet session and enact the legislation if the opposition-dominated House of Councillors does not vote on it before the Diet closes its current session on Dec. 15. Fukuda will meet with New Komeito President Ota early next week and make his final judgment.

"Who looked into my mind?" Fukuda asked reporters yesterday afternoon at his office when asked if he has made up his mind to revote on the MSDF refueling legislation. "Anyway," Fukuda added, "I firmly believe the bill will be passed." Yesterday evening, Fukuda was asked what he really meant. "I don't care how you figure it out," Fukuda answered. He also said, "I'm thinking of every possibility."

TOKYO 00005481 007 OF 012

"The prime minister is using various expressions to show his strong intention of enacting the legislation," Chief Cabinet Secretary Machimura told a press conference. Later in the day, Machimura spoke of what to do if the bill is voted down in the House of Councillors. "There's something to do in the House of Representatives." With this, the top government spokesman hinted at the option of overriding the upper chamber's decision. "If the bill does not clear the Diet by December 15, the Diet may be extended then." So saying, he referred to the possibility of reextending the Diet session.

Fukuda is from the LDP's Machimura faction. In a general meeting of the faction, former LDP Secretary General Hidenao Nakagawa said: "We should try everything allowed under the Constitution. That's our responsibility as the ruling party. We must not hesitate to take a vote again in the House of Representatives for two-thirds in conformity with the Constitution's provisions."

Former LDP Vice President Taku Yamasaki was cautious about the option of overriding the upper chamber's decision, reasoning that it could lead to dissolving the lower chamber. In a meeting of his faction, Yamasaki also declared that the ruling coalition would revote on the legislation for two-thirds to enact it. Yamasaki said: "We will formulate the budget without dissolving the House of

Representatives for a general election, and we will deliberate on the legislation in the Diet. We will also enact relevant bills." With this, he indicated that the prime minister would not have to dissolve the House of Representatives even if a censure motion is passed against him in the House of Councillors.

Meanwhile, Azuma Koshiishi, who chairs the caucus of House of Councillors members belonging to the leading opposition Democratic Party of Japan (Minshuto), met the press and referred to whether the DPJ would present a censure motion against the prime minister if the ruling coalition goes ahead with the revoting option. "We have that case in mind. I would say, 'Go ahead.'" So saying, he strongly constrained the ruling coalition's move to override.

9) Premier declares determination to take second vote on new antiterror legislation in Lower House: DPJ at crucial stage regarding whether to vote on legislation in Upper House or submit censure motion

TOKYO SHIMBUN (Page 2) (Full)  
December 7, 2007

Now that Prime Minister Yasuo Fukuda has announced his intention to take a vote again in the Lower House on the new antiterror special measures bill aimed at resuming refueling operations in the Indian Ocean by the Maritime Self-Defense Force (MSDF) if it is voted down in the Upper House, the focus of the battle between the ruling and opposition camps will shift to what approach the Democratic Party of Japan (DPJ or Minshuto) will take. There is a possibility of a dissolution of the Lower House for a snap election, depending on how the situation develops. Tokyo Shimbun probed into the future course of the Diet session.

The first focus is whether the DPJ will respond to a call for taking a vote on the legislation.

The DPJ had no intention of responding to such a call within the current Diet session, with President Ichiro Ozawa saying, "Even if

TOKYO 00005481 008 OF 012

deliberations are pursued normally, it would be impossible to take a vote on the bill in time." It would be possible to scrap the bill because of incomplete deliberations if the Diet session closes as scheduled. However, such a possibility has vanished with Fukuda's declaration of his decision to take a vote again in the Lower House firming up a re-extension of the Diet session.

Provided that the Diet session is extended to January 12 or beyond, it would be possible to take a vote on the bill again in the Lower House, assuming that the bill was voted down in the Upper House, even if no roll call took place there. The DPJ will be pressed to make a decision on whether to hold out until such a situation occurs or to respond to a call to take a vote.

Many DPJ members are calling for voting down the bill, with one seasoned member noting, "The DPJ should clearly indicate its will as the top party in the Upper House." If the amount of time the Upper House Foreign Affairs and Defense Committee has spent on deliberations reaches a certain level, it would be fully possible to take a vote on the bill before the end of the year.

If the prime minister stands firm on his determination, the new legislation will clear the Lower House and be passed into law, despite when the DPJ responds to a call for taking a vote on the bill or whether a roll call itself takes place or not. In that case, the next focus will be whether the DPJ will introduce a censure motion against the prime minister, arguing that he ignored the public will indicated through the July Upper House election.

If a censure motion is submitted, it is almost certain to secure Diet approval. Unlike a no-confidence motion against the government adopted by the Lower House, it has no legal binding power. However, the adoption of a censure motion means that the Upper House has deemed Fukuda inappropriate as a prime minister. Its political impact would be immense. There is also a possibility of the DPJ rejecting the prime minister's attendance of any Upper House

deliberations, as a DPJ source said.

Some DPJ members are negative toward the idea of submitting a censure motion, with one mid-ranking member noting, "Taking a vote again in the Lower House is a procedure allowed under the Constitution." However, the number of members who are positive about submitting such is much larger, with another mid-ranking member saying, "If the DPJ does not submit a censure motion, it would mean a political defeat."

If a censure motion against the prime minister were adopted, the focus would shift to how he will respond. There is a possibility of his dissolving the Lower House for a snap election in an effort to emerge from the bind by asking for the public's judgment again.

The prime minister has indicated a stance of ignoring a censure motion against him, saying, "Is there a person who can bring me to account?" There is no means of forcing a defiant prime minister to step down. All the DPJ can do is to appeal to the public. It will likely find itself in a bind.

10) Difference in degrees of eagerness among opposition parties for censure motion against prime minister over new antiterrorism bill

NIKKEI (Page 2) (Full)  
December 7, 2007

TOKYO 00005481 009 OF 012

Prime Minister Yasuo Fukuda has expressed his determination to use a two-thirds House of Representatives override vote to pass the government's antiterrorism bill that would enable the Maritime Self-Defense Force to resume its refueling mission in the Indian Ocean. Following this, the focus of attention has been on whether the opposition camp will decide to submit a censure motion against the prime minister. If the bill is rejected in the House of Councillors, the political situation will intensify, and it may lead to dissolving the Lower House. Given this, there is a delicate difference in degrees of eagerness over a censure motion in the opposition camp.

Asked about a response to be taken if the bill is forced through the Diet by a two-thirds override vote, Democratic Party of Japan (DPJ) Upper House Chairman Azuma Koshiishi said in a press conference yesterday: "Are you asking whether we intend to press the government to dissolve the Lower House by presenting a censure motion against the prime minister? We are also keeping such a possibility in mind."

In a meeting with the Diet affairs committee chairmen of the Japanese Communist Party (JCP), the Social Democratic Party (SDP), and the People's New Party (PNP) yesterday, DPJ Diet Affairs Committee Chairman Kenji Yamaoka said: "Let's take joint steps in issuing a censure motion."

The DPJ has formed a joint parliamentary group with the PNP. The total number of seats held by both parties is 119, below the majority of 122, so it will be impossible for the DPJ to have a censure resolution adopted unless it gains cooperation from other opposition parties. If the PNP (with four seats) refuses to offer cooperation, cooperation from the JCP (7 seats) and the SDP (five seats) will become indispensable.

A subtle perception gap has already observed between the DPJ and the PNP. The PNP has been calling for accelerating deliberations on the new antiterror bill in order to take a vote by the end of the current Diet session on Dec. 15, but the DPJ has refused holding deliberations on days other than those for two regular meetings a week.

When a vote should be taken is a crucial matter for the opposition camp. If about 40 hours are secured for deliberations on the bill, as requested by the opposition side, as a result of the Diet session extended again, the opposition bloc will find it difficult to find an excuse for refusing a vote. Some DPJ members are critical of the party leadership's moves to defer a vote or boycott deliberations,

because it is hard to win voters' understanding for such an approach.

In anticipation of new developments of the series of scandals involving the Defense Ministry, some lawmakers in the opposition camp insist that a vote at the Upper House should not be taken before mid-January, when a revote in the Lower House will become possible. They expect that if politicians are found to have been involved in the scandal, the public will become more critical of the government and will not ignore the need for a censure motion against the prime minister.

But each political party wants to avoid an early dissolution of the Lower House as much as possible due to a lack of preparations for

TOKYO 00005481 010 OF 012

the election. The JCP and SDP are strongly opposed to a re-extension of the Diet session and a revote in the Lower House, which may lead to dissolving the Lower House.

11) JCP shows its presence through cooperation

ASAHI (Page 4) (Abridged)  
December 7, 2007

The Japanese Communist Party has so far positioned itself as a "steadfast opposition party." However, the JCP will now break away from its maverick stance. The JCP used to be viewed as a party that opposes everything. However, the JCP is now beginning to take a cooperative stance while offering to bridge the ruling Liberal Democratic Party and the leading opposition Democratic Party of Japan (Minshuto), which is currently the largest of all parties in the Diet's upper chamber. A change of government is even more likely, and the JCP is now exploring how to increase its presence in the Diet through its parliamentary and election campaigning tactics.

"We will play our own role to translate public needs into action. We can't move politics unless we win public opinion. We will also work on other parties." In October, JCP Chairman Shii voiced concern about the ruling and opposition parties' battle of voting down each other's bills. Shii indicated that the JCP would play the role of a bridge between the LDP and the DPJ.

The JCP has now switched to a new stance of its own. This shows its sense of crisis. The current single-seat constituency system was introduced in 1996, when the JCP held 26 seats in the House of Representatives. At present, the JCP has only 9 seats in the lower chamber. The JCP will unavoidably have to fight a hard battle in the next general election if the party fails to show its presence in the Diet.

12) Textbook screening panel allows use of wording that "Japanese military coerced Okinawan people to commit mass suicide"

TOKYO SHIMBUN (Top Play) (Slightly abridged)  
December 7, 2008

In connection with the issue of descriptions that Japanese Imperial Army forced Okinawan citizens to commit mass suicide during the Battle of Okinawa being deleted from history textbooks for senior high schools, it has been learned that the Textbook Authorization and Research Council conveyed to history textbook publishers through the Ministry of Education, Culture, Sports, Science and Technology, its guidelines for the publishers to apply for modifications. According to those involved, the panel's guidelines reportedly require the publishers to describe the circumstances of the Battle of Okinawa being fought with the cooperation of the military, government, and local residents, and that the Japanese were not allowed at the time to be taken prisoner. The panel will allow use of descriptions that the Japanese military coerced local residents into committing suicide.

The guidelines were conveyed to the history textbook publishers on Dec. 4. The panel admits the Japanese military's coercion because the army distributed hand grenades to Okinawan citizens, but found

that there was no direct order by the military. However, the guidelines note that the panel does not retract its opinion "because

TOKYO 00005481 011 OF 012

it might cause misunderstanding," and regarded the explanation of the mass suicide as necessary.

Regarding this issue, six textbook publishers, including one publisher to which the panel made no objection, submitted applications to modify eight descriptions. A final decision is expected to be made in late December.

13) Finance minister decides to use 10 trillion yen from government investment and loan fund special account to repay government bonds

TOKYO SHIMBUN (Page 1) (Slightly abridged)  
December 7, 2007

Finance Minister Fukushiro Nukaga yesterday revealed a plan to use in compiling the fiscal 2008 budget part of a reserve fund in the government investment loan fund special account (estimated to reach approximately 20 trillion yen at the end of fiscal 2008) to repay government bonds. The amount to be used for such a purpose in fiscal 2008 is estimated to be 10 trillion yen. The ministry will also use between 1 trillion yen and several trillion yen in fiscal 2009 and beyond to repay government bonds. It plans to constrain interest-service expenses by reducing the issuance of government bonds.

The Liberal Democratic Party (LDP) Fiscal Reform Study Council calls the reserve fund in the special account "buried treasure" since it cannot be used in reality. However, former LDP Secretary General Hidenao Nakagawa had argued that it could be used as funding resources when formulating budgets. With the finance minister approving the use of the reserve fund in the special account, calls for considering using this "buried treasure" could grow stronger. Funds in the special account, procured by issuing investment-and-loan bonds, are lent to government-affiliated financial institutions and local governments at low interest rates. However, the postal savings institution has started procuring funds on its own since fiscal 2001. As a result, the size of the government investment and loan fund special account has dropped from 400 trillion yen to 200 trillion yen (at the end of fiscal 2007. The role of the reserve fund to supplement management risk has become small accordingly.

The government in March this year amended a related law to enable the allocation of portions exceeding a set rate of reserve funds to the total asset to the repayment of government bonds. The reserve rate set under a cabinet order is 10 PERCENT . However, the current rate stands at 7 PERCENT . The Finance Ministry plans to lower the reserve rate in proportion to the current size of assets by amending the cabinet order.

14) Tug-of-war between administrative reform minister and chief cabinet secretary on ban on job-hopping by bureaucrats

TOKYO SHIMBUN (Page 2) (Full)  
December 7, 2007

The government's expert panel will soon issue a report on a plan to establish a government/private-sector resource exchange center to centralize outplacement service for public servants. In discussing this issue, a dispute is heating up over whether the report should include a measure to prohibit job-hopping by bureaucrats to collect multiple retirement benefits. State Minister in Charge of

TOKYO 00005481 012 OF 012

Administrative Reform Yoshimi Watanabe has insisted that job-hopping should be immediately prohibited, but Chief Cabinet Secretary Nobutaka Machimura has opposed Watanabe's idea.

While visiting the facility of an independent administrative corporation in Kanagawa Prefecture yesterday, Watanabe made a phone

call to Machimura and stressed the need to ban job-hopping, but Machimura expressed his opposition.

The expert panel has been in accord on the view that the new human resource bank should not help a retired senior bureaucrat land one cushy job after another in the private sector, and Machimura has also approved of this agreement. Under the current situation, though, even if the new center is established by the end of 2008 as scheduled, the practice of job-hopping will be left uncontrolled during the three-year transitional period.

The expert panel therefore specified in its draft report released in late October that the practice should be immediately prohibited, but this clause was deleted under the instruction of Machimura. Machimura thinks that discussion on the propriety of a prohibition order for job-hopping is beyond the scope of debate at the expert panel.

In meetings of the expert panel held afterward, many members also called for an immediate ban on job-hopping, with one member saying: "Helping bureaucrats assume a number of posts after retirement deviates from the government's discretionary power." Supportive of this view, Watanabe said in a panel meeting on Dec. 5: "It has been agreed (to specify in the report) that the new center will not offer service for job-hopping."

The expert panel was initially scheduled to submit the report at the end of October. One member said: "If the measure is not included in the report, we will issue a separate statement on banning job-hopping by bureaucrats."

SCHIEFFER